



**MEMORANDUM OF POINTS AND AUTHORITIES  
SUPPORTING MOTION FOR AWARD OF ATTORNEY FEES**

Table of Authorities.....	ii
Facts and Proceedings to Date.....	1
<b>ARGUMENT</b>	
I. THE ACCEPTED OFFER OF JUDGMENT MAKES RECOURSEUR THE PREVAILING PARTY, AND DOES NOT WAIVE THE ENTITLEMENT TO ATTORNEY FEES.....	3
II. THIS WAS AN EXCEPTIONAL CASE BECAUSE CARREON'S INFRINGEMENT AND CYBERSQUATTING CLAIMS WERE FRIVOLOUS.....	4
III. PLAINTIFF SHOULD BE AWARDED \$40,115 IN ATTORNEY FEES..	8
Conclusion.....	10

## TABLE OF AUTHORITIES

1		
2	<i>Assessment Technologies of Wisconsin v. WIREdata, Inc.</i> ,	
3	361 F.3d 434 (7th Cir. 2004). . . . .	5
4	<i>Blum v. Stenson</i> ,	
5	465 U.S. 886 (1984). . . . .	9
6	<i>Bond v. Ferguson Enters.</i> ,	
7	2011 WL 2648879 (E.D. Cal. June 30, 2011). . . . .	9
8	<i>Bosley Medical v. Kremer</i> ,	
9	403 F.3d 672 (9th Cir. 2005). . . . .	5, 6
10	<i>Brooks Furniture Mfg. v. Dutailier Int'l</i> ,	
11	393 F.3d 1378 (Fed. Cir. 2005). . . . .	89
12	<i>Brown v. Sullivan</i> ,	
13	916 F.2d 492 (9th Cir. 1990). . . . .	10
14	<i>CACI Int'l, Inc. v. Pentagen Technologies Int'l</i> ,	
15	70 F.3d 111 (4th Cir. 1995). . . . .	8
16	<i>Caesar's World v. Milanian</i> ,	
17	126 Fed. App'x. 775 (9th Cir. 2005). . . . .	8
18	<i>Cairns v. Franklin Mint Co.</i> ,	
19	292 F.3d 1139 (9th Cir. 2002). . . . .	5, 6
20	<i>Camacho v. Bridgeport Finance</i> ,	
21	523 F.3d 973 (9th Cir. 2008). . . . .	9
22	<i>Classic Media v. Mewborn</i> ,	
23	532 F.3d 978 (9th Cir. 2008). . . . .	4, 8
24	<i>Erdman v. Cochise County</i> ,	
25	926 F.2d 877 (9th Cir. 1991). . . . .	4
26	<i>Fogerty v. Fantasy, Inc.</i> ,	
27	510 U.S. 517 (1994). . . . .	8
28	<i>Guichard v. Universal City Studios</i> ,	
	363 Fed. App'x 434 (9th Cir. 2009). . . . .	4
	<i>Holland v. Roeser</i> ,	
	37 F.3d 501 (9th Cir. 1994). . . . .	4
	<i>Koch Indus. v. Does</i> ,	
	2011 WL 1775765 (D. Utah May 9, 2011). . . . .	6
	<i>Lamparello v. Falwell</i> ,	
	420 F.3d 309 (4th Cir. 2005). . . . .	6
	<i>Lucas Nursery and Landscaping v. Grosse</i> ,	
	359 F.3d 806 (6th Cir. 2004). . . . .	6

1	<i>Mattel v. Walking Mountain Productions,</i>	
2	353 F.3d 792 (9th Cir. 2003).	5, 6
3	<i>New Kids on the Block v. News America Publ'g,</i>	
4	971 F.2d 302 (9th Cir. 1992).	6
5	<i>Nightingale Home Healthcare v. Anodyne Therapy,</i>	
6	626 F.3d 958 (7th Cir. 2010).	7
7	<i>Nissan Motor Co. v. Nissan Computer Co.,</i>	
8	378 F.3d 1002 (9th Cir. 2004).	5
9	<i>Nordby v. Anchor Hocking Packaging Co.,</i>	
10	199 F.3d 390 (7th Cir. 1999).	4
11	<i>Nusom v. Comh Woodburn,</i>	
12	122 F.3d 830 (9th Cir. 1997).	4
13	<i>O'Neal v. Seattle,</i>	
14	66 F.3d 1064 (9th Cir. 1995).	9
15	<i>Prison Legal News v. Schwarzenegger,</i>	
16	608 F.3d 446 (9th Cir. 2010).	9
17	<i>Prison Legal News v. Schwarzenegger,</i>	
18	No. 4:07-cv-02058-CW (N.D. Cal. Dec. 5, 2008).	9
19	<i>Ramming v. Natural Gas Pipeline Co. of America,</i>	
20	390 F.3d 366 (5th Cir. 2004).	3
21	<i>Rosenfeld v. U.S. Dep't of Justice,</i>	
22	—F. Supp.2d —, 2012 WL 4933317 (N.D. Cal. 2012).	9
23	<i>Salazar v. District of Columbia,</i>	
24	123 F. Supp.2d 8 (D.D.C. 2000).	9
25	<i>Sea Coast Foods v. Lu-Maritime Lobster &amp; Shrimp,</i>	
26	260 F.3d 1054 (9th Cir. 2001).	3, 4
27	<i>Secalt S.A. v. Wuxi Shenxi Const. Machinery Co.,</i>	
28	668 F.3d 677 (9th Cir. 2012).	5
	<i>Special Devices v. OEA, Inc.,</i>	
	269 F.3d 1340 (Fed Cir. 2001).	8
	<i>Stephen W. Boney v. Boney Services,</i>	
	127 F.3d 821 (9th Cir. 1997).	4
	<i>TMI v. Maxwell,</i>	
	368 F.3d 433 (5th Cir. 2004).	6
	<i>Taubman v. WebFeats,</i>	
	319 F.3d 770 (6th Cir. 2003).	6

1	<i>Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research,</i>	
2	527 F.3d 1045 (10th Cir. 2008).	6
3	<i>Webb v. James,</i>	
4	147 F.3d 617 (7th Cir. 1998).	3
5	<b>CONSTITUTION, STATUTES AND RULES</b>	
6	United States Constitution	
7	First Amendment.	1
8	Copyright Code,	
9	17 U.S.C. §§ 1 <i>et seq.</i>	8
10	Declaratory Judgment Act,	
11	28 U.S.C. § 2201.	7
12	Lanham Act	
13	15 U.S.C. §§ 1051 <i>et seq.</i>	3, 5, 8
14	Section 35, 15 U.S.C. § 1117	1
15	Section 35(a), 15 U.S.C. § 1117(a).	4
16	Section 43(d)(1)(A)(i), 15 U.S.C. § 1125(d)(1)(A)(i)	6
17	Federal Rules of Civil Procedure	
18	Rule 4(d)(2)(B).	3, 10
19	Rule 54(d).	1, 3
20	Rule 54(d)(2)(B)(I).	3
21	Rule 68.	1, 2, 3

1 In this action, plaintiff Christopher Recouvreur sought a declaratory judgment protecting his right  
2 under the Lanham Act and the First Amendment to use the name of defendant Charles Carreon to denote  
3 a noncommercial web site devoted to satirizing Mr. Carreon. The action concluded with complete success  
4 for plaintiff when he accepted a Rule 68 offer of judgment granting the declaratory judgment for which he  
5 had prayed; the judgment made plaintiff the prevailing party. The Lanham Act provides for awards of  
6 attorney fees in favor of the prevailing party in “exceptional” cases, and longstanding Ninth Circuit  
7 precedent provides that the exceptional standard is met when the trademark holder’s infringement claims  
8 are “groundless” or “unreasonable.” That standard is plainly met in this case.

### 9 **FACTS AND PROCEEDINGS TO DATE**

10 This action arose from a public controversy over perceptions that defendant Carreon was abusing  
11 the judicial system. After Mr. Carreon sent a demand letter to Matthew Inman on behalf of a client claiming  
12 defamation, Inman made fun of Mr. Carreon by starting a fund-raising campaign to raise the demanded  
13 amount as a donation to charity. After that fundraising effort went viral, Mr. Carreon brought a frivolous  
14 lawsuit against Inman as well as against the Internet Service Provider (“ISP”) that hosted the fund-raising  
15 campaign, and the American Cancer Society and National Wildlife Federation, the charities to which Inman  
16 had promised to send the public’s donations. Plaintiff Recouvreur started an anonymous, satirical web site  
17 to comment about the controversy. Complaint Exhibits A, B, C. Mr. Carreon threatened to sue plaintiff;  
18 he also demanded to know the name of the anonymous satirist, threatening to sue the company through  
19 which plaintiff had registered his domain name unless it revealed plaintiff’s name.

20 Although Mr. Recouvreur obtained counsel to bring the case, both he and his counsel, Paul Alan  
21 Levy, hoped to avoid the need for litigation by reasoning with Mr. Carreon. Levy Fifth Affidavit ¶ 18.  
22 Before any papers were filed, Mr. Levy telephoned Mr. Carreon to discuss the legal issues, calling his  
23 attention to the legal reasons why his claims could not possibly succeed, and then followed up the phone call  
24 with an enumeration of cases, including Ninth Circuit decisions that were squarely on point. *Id.*; Complaint  
25 Exhibit E. In response to this effort to avoid litigation, Mr. Carreon responded by threatening to string out  
26 litigation, to seek high levels of monetary relief, to delay filing suit for years in the hope that Public Citizen  
27 would no longer be interested, and to file in a jurisdiction that had not yet adopted the legal principles  
28 followed in the Ninth Circuit. *Id.* Exhibit F. In light Mr. Carreon’s then-pending suit against Inman,

1 plaintiff and his counsel took Mr. Carreon's threats seriously, and accordingly filed this action for a  
2 declaratory judgment of non-infringement under the Lanham Act.

3 At first, defendant engaged in a pattern of passive resistance to the litigation—he refused to execute  
4 a waiver of service form, refused to accept service of process when a process server came to his home, and  
5 indeed sent an email to plaintiff's counsel, saying that he was not going to willingly “expose myself to  
6 service.” Docket Entry No. (“DN”) 32-1, Exhibit S. Mr. Carreon also wrote a letter to plaintiff's employer,  
7 demanding preservation of electronic records and implicitly threatening to sue the employer for alleged  
8 trademark violations committed by its employee, either on the employer's time or using the employer's  
9 facilities. DN 19-1, Exhibit H. Hoping to avoid the expense of hiring a process server to sit outside the  
10 Carreon home office, waiting for him to leave the house and hence be exposed to service, plaintiff moved  
11 unsuccessfully for an order authorizing service by email. After Mr. Carreon was denied permission to argue  
12 by telephone a preliminary injunction motion that he had filed in this district on behalf of a client, plaintiff  
13 was ultimately able to serve Mr. Carreon outside the courtroom.

14 Mr. Carreon then sought to settle the case with several preconditions and threatened to bring suit  
15 against Mr. Levy's employer if plaintiff would not consent to his terms. Levy Third Affidavit, DN 35-1, ¶  
16 3. Mr. Carreon also refused to pay the expenses of the service that had been required by his refusal to  
17 expose himself to service. Levy Second Affidavit, DN 32-2, Exhibit T.

18 Plaintiff then moved to compel payment of the service expenses, and also sought an award of  
19 attorney fees for filing that motion. At that point, Mr. Carreon offered judgment under Rule 68, providing  
20 for entry of a declaratory judgment as follows:

- 21 1. Plaintiff's domain name “charles-carreon.com,” plaintiff's use of the domain name, and  
22 plaintiff's current manner of using his web site, do not violate defendant's rights;
- 23 2. Plaintiff's use of the domain name “charles-carreon.com,” in its current manner of use, is  
24 fair use and protected under the First Amendment, and does not infringe on defendant's  
25 mark;
- 26 3. Defendant is not entitled to an injunction against plaintiff using the domain name  
27 “charles-carreon.com” or operating the Web site located at the URL  
28 “www.charles-carreon.com.”

Plaintiff accepted that judgment, DN 38, bringing the litigation on the merits to a close. Because the  
Lanham Act provides for awards of attorney fees to the prevailing party, 15 U.S. C. § 1117(a), plaintiff now

1 seeks attorney fees.<sup>1</sup>

## 2 ARGUMENT

### 3 I. THE ACCEPTED OFFER OF JUDGMENT MAKES RECOURS TO THE PREVAILING 4 PARTY, AND DOES NOT WAIVE THE ENTITLEMENT TO ATTORNEY FEES.

5 After a plaintiff has accepted a defendant's offer of judgment, the plaintiff becomes the prevailing  
6 party, so long as the relief obtained through the declaratory judgment is substantial by comparison to the  
7 claims advanced and the relief sought in the complaint. *Sea Coast Foods v. Lu-Mar Lobster & Shrimp*, 260  
8 F.3d 1054, 1059-1060 (9th Cir. 2001); *Webb v. James*, 147 F.3d 617, 623 (7th Cir. 1998). Here, the prayer  
9 for relief in the Amended Complaint sought the following declaratory judgment:

- 10 A. Declaring that plaintiff's domain name "charles-carreon.com," plaintiff's use of the  
11 domain name, and plaintiff's use of his web site do not violate defendant's rights under the  
12 Lanham Act or other trademark law;
- 13 B. Declaring that plaintiff's use of the domain name "charles-carreon.com" is fair use and  
14 protected under the First Amendment, and does not infringe on defendant's mark;
- 15 C. Declaring that defendant is not entitled to an injunction against plaintiff using the domain  
16 name "charles-carreon.com" or operating the Web site located at the URL "www.charles-  
17 carreon.com."

18 DN 15, page 6.

19 The declaratory judgment offered and accepted, as quoted on page 2, nearly mimics the requested judgment;  
20 in fact, the accepted offer is broader than the relief requested, insofar as the prayer for relief was limited to  
21 non-violation of defendant's rights "under the Lanham Act or other trademark law," although the accepted  
22 declaratory judgment is not limited to rights under those laws. Accordingly, plaintiff achieved complete  
23 relief in this case.

24 Arguments that defendant advanced in opposition to plaintiff's motion for an award of attorney fees  
25 under Rule 4(d)(2)(B), DN 39, suggest that defendant will argue that his offer of judgment bars any  
26 application for an award of attorney fees under the Lanham Act. But nothing in the offer comes close to  
27 accomplishing that result. The final paragraph of the offer of judgment provides:

- 28 4. Plaintiff shall take a total money judgment inclusive of costs in the amount of \$725, being  
the sum of the filing fee and service costs claimed.

---

<sup>1</sup>Under Rule 54(d)(2)(B)(i), an application for an award of attorney fees is due no later than  
fourteen days after entry of judgment. Because accepted Rule 68 offers of judgment are self-  
executing, *Ramming v. Natural Gas Pipeline Co. of America*, 390 F.3d 366 (5th Cir. 2004), this  
motion is filed on the assumption that the Rule 54(d) deadline runs from the date of acceptance.



1 This paragraph makes no reference to attorney fees, and hence acceptance of this offer cannot be said to  
 2 effect a waiver of the claim for attorney fees under the Lanham Act.

3 If the Lanham Act were one of the many statutes that makes “attorney fees” part of costs, there would  
 4 at least be a question whether the reference of “costs” in paragraph 4 was intended to include the fees in the  
 5 total costs of \$725 that were being offered. That would bring into play the Ninth Circuit’s rule that, even  
 6 in civil rights cases where fees are defined as being part of the costs, clear language is needed to impose a  
 7 waiver of fees. *Erdman v. Cochise County*, 926 F.2d 877, 880-881 (9th Cir. 1991). *See also Nordby v.*  
 8 *Anchor Hocking Packaging Co.*, 199 F.3d 390, 391 (7th Cir. 1999) (recognizing Ninth Circuit rule  
 9 demanding express use of the “magic words ‘attorney fees’” before waiver of claim for fees will be found).

10 But the Lanham Act’s statutory provision for attorney fees does **not** make them part of the costs.  
 11 The Ninth Circuit has repeatedly declared that

12 “where the underlying statute does not make attorney fees part of costs, it is incumbent on  
 13 the defendant making a Rule 68 offer to state clearly that attorney fees are included as part  
 14 of the total sum for which judgment may be entered if the defendant wishes to avoid  
 15 exposure to attorney fees in addition to the sum offered plus costs.”

16 *Sea-Coast Foods*, 260 F.3d at 1059, quoting *Nusom v. Comh Woodburn*, 122 F.3d 830, 834  
 17 (9th Cir. 1997).

18 Similarly, under Ninth Circuit law an offer of judgment is construed against the drafter, *Holland v. Roeser*,  
 19 37 F.3d 501, 504 (9th Cir. 1994). Here, there is nothing in the accepted offer of judgment that purports to  
 20 affect the right to seek an award of attorney fees under the Lanham Act. Hence, Recouvreur’s prevailing  
 21 party status is a sufficient basis to trigger his right to seek an award under 15 U.S.C. § 1117(a).

## 22 **II. THIS WAS AN EXCEPTIONAL CASE BECAUSE CARREON’S INFRINGEMENT AND** 23 **CYBERSQUATTING CLAIMS WERE FRIVOLOUS.**

24 Section 35(a) of the Lanham Act provides, “The court in exceptional cases may award reasonable  
 25 attorney fees to the prevailing party.” In the Ninth Circuit, the longstanding rule is that a case is  
 26 “exceptional” when the trademark owner makes claims that are “groundless, unreasonable, vexatious, or  
 27 pursued in bad faith.” *Classic Media v. Mewborn*, 532 F.3d 978, 990 (9th Cir. 2008); *Stephen W. Boney v.*  
 28 *Boney Services*, 127 F.3d 821, 827 (9th Cir. 1997). These terms are in the alternative, and the Ninth Circuit  
 has affirmed awards of attorney fees imposed solely because the trademark claims were groundless. *Secalt*  
*S.A. v. Wuxi Shenxi Const. Machinery Co.*, 668 F.3d 677, 687-688 (9th Cir. 2012); *Guichard v. Universal*

1 *City Studios*, 363 Fed. App'x 434, 436 (9th Cir. 2009); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1156  
 2 (9th Cir. 2002). In fact, in *Mattel v. Walking Mountain Productions*, 353 F.3d 792, 816 (9th Cir. 2003), the  
 3 Court of Appeals even reversed a denial of attorney fees as an abuse of discretion because the infringement  
 4 claims “might have been groundless or unreasonable,” and the district judge had failed to address that point  
 5 in denying attorney fees.

6 In *Walking Mountain*, the Ninth Circuit also considered that the alleged infringer’s “use constituted  
 7 nominative fair use and was protected by policy interests in free expression.” *Id.* In that regard, although  
 8 an intellectual property owner has a monetary incentive to sue for infringement, because it can recover  
 9 damages, or even statutory damages, an accused infringer has no comparable incentive to stand up for the  
 10 public domain and thus for the rights of free expression of every member of the public. *See Assessment*  
 11 *Technologies of Wisconsin v. WIREDATA, Inc.*, 361 F.3d 434, 436 (7th Cir. 2004). Similarly, here, the  
 12 availability of attorney fees to a non-commercial trademark user like Mr. Recouvreur is needed as an  
 13 incentive to stand up for the right to criticize a lawyer who has shown his willingness to bring suits of  
 14 questionable merit over online criticism.

15 Here, Mr. Carreon’s trademark and cybersquatting claims were beyond groundless; they were  
 16 frivolous. Two Ninth Circuit decisions—*Bosley Medical v. Kremer*, 403 F.3d 672 (9th Cir. 2005), and  
 17 *Nissan Motor Co. v. Nissan Computer Co.*, 378 F.3d 1002 (9th Cir. 2004)—barred Mr. Carreon’s claims  
 18 over Mr. Recouvreur’s satirical web site using Mr. Carreon’s name as the domain name because the web  
 19 site constituted non-commercial criticism. *Bosley* is the most clearly on point—it involved use of the  
 20 domain name bosleymedical.com, and the Ninth Circuit squarely held that the non-commercial character  
 21 of the web site required affirmance of summary judgment obtained by the web site operator dismissing the  
 22 trademark holder’s infringement and dilution counts under the Lanham Act. Likewise, in *Nissan*, the Ninth  
 23 Circuit vacated an injunction issued by a trial judge against the posting of links to non-commercial criticisms  
 24 of the plaintiff automobile company on a web site at nissan.com, 378 F.3d at 1015-1018, even though the  
 25 court below had properly forbidden the hosting of automobile-related advertising on the same web site. *Id.*  
 26 at 1009. The fact that the anti-Nissan commentary might have hurt the auto company’s business did not  
 27 make the web site “commercial.” *Id.* at 1017. Because Mr. Recouvreur’s satirical web site was strictly non-  
 28 commercial, *Bosley* and *Nissan* required rejection of Mr. Carreon’s threatened trademark claims.

Overwhelming authority from other circuits also made the Carreon trademark claims groundless for an independent reason. At least when the underlying web site does not create any likelihood of confusing visitors about whether the trademark holder sponsors the page, a domain name containing the trademark holder's name is not actionable under the trademark laws because there is no likelihood of confusion, which must be alleged and proved for a trademark owner to bring a valid infringement claim. *Utah Lighthouse Ministry v. Foundation for Apologetic Information and Research*, 527 F.3d 1045 (10th Cir. 2008); *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005); *TMI v. Maxwell*, 368 F.3d 433, 436-438 (5th Cir. 2004); *Taubman v. WebFeats*, 319 F.3d 770 (6th Cir. 2003); *Koch Indus. v. Does*, 2011 WL 1775765 (D. Utah May 9, 2011). And even apart from Mr. Carreon's inability to make a non-frivolous allegation of likely confusion, the infringement claims here were plainly barred by the doctrine of nominative fair use, recognized in the Ninth Circuit since *New Kids on the Block v. News Am. Publ'g*, 971 F.2d 302, 308 (9th Cir. 1992). See also *Mattel v. Walking Mountain Prods.*, 353 F.3d at 816 (9th Cir. 2003); *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1156 (9th Cir. 2002).

Mr. Carreon also threatened to sue Mr. Recouvreur for cybersquatting, but such a claim can be brought only when the domain name is registered or used with a "bad faith intent to profit." 15 U.S.C. § 1125(d)(1)(A)(i). Cyberqerquatting claims cannot be brought against a web site devoted to criticizing the trademark holder, e.g., *Utah Lighthouse Ministry*, 527 F.3d at 1058-1059 ; *Lamparello*, 420 F.3d at 320-321; *Lucas Nursery and Landscaping v. Grosse*, 359 F.3d 806 (6th Cir. 2004), unless there is some reason to believe that the domain name registrant had made some demand to be paid to relinquish the domain name. *Bosley Medical v. Kremer*, 403 F.3d 672, 681 (9th Cir. 2005). But when Mr. Levy first spoke to Mr. Carreon about his demand letter, Mr. Carreon **admitted** that Mr. Recouvreur had not tried to ransom the domain name, Amended Complaint, Levy Fifth Affidavit ¶ 18, and Complaint Exhibit E; nor were there any of the other indicia of bad faith intent to profit, such as the registration of multiple domain names using trademarks. In sum, this is a case involving groundless cybersquatting and infringement claims under the Lanham Act. It easily merits treatment as an exceptional case.

Moreover, although the "groundless or unreasonable" test is an objective one, defendant's conduct shows that he was fully aware that he had no basis for claiming trademark infringement. He refused to waive service of summons because, he said, he did not want to have to defend the litigation, and indeed he

1 thumbed his nose at the efforts to serve him, saying that he was deliberately not going to “expose [him]self  
2 to service.” Once service was effected, he refused to pay the expenses of service, supposedly because he  
3 was going to file a motion to dismiss the complaint, forcing plaintiff file a motion seeking an award of a few  
4 hundred dollars in expenses; plaintiff also sought an award of attorney fees for having had to file this  
5 motion. And then, when defendant saw that his escape routes had been cut off— that he had been served,  
6 and that plaintiff was not going to let him out of the case—he simply dropped his trademark claims  
7 unconditionally and offered judgment. Mr. Carreon’s course of conduct speaks volumes about his evident  
8 recognition of the fact that his claims were meritless; he provides no reason for believing that his decision  
9 to drop them was occasioned by anything that he had learned about the merits during the course of the  
10 litigation.

11 Finally, although the groundlessness of the infringement and cybersquatting claims is alone sufficient  
12 to support an award of attorney fees under Ninth Circuit precedent, in circuits with a higher standard for  
13 finding cases exceptional, a litigant’s oppressive conduct is one of the factors considered in support of fee  
14 awards. *Nightingale Home Healthcare v. Anodyne Therapy*, 626 F.3d 958, 963-964 (7th Cir. 2010).  
15 Applying that factor, defendant’s actions in this case warrant an award of fees. Although plaintiff’s counsel  
16 tried to steer Mr. Carreon away from his threats of litigation, Mr. Carreon responded by ramping up his  
17 threats, trying to put the blogger in fear of significant financial liability by, for example, warning that he  
18 would seek statutory damages of \$100,000, Complaint Exhibit F ¶ 4, and would employ counsel instead of  
19 proceeding pro se for the precise purpose of running up the blogger’s liability for attorney fees, *id.* ¶ 3; he  
20 also boasted of his reputation for “litigating appeals for years.” *Id.* ¶ 8. Once the litigation was filed, and  
21 while he was refusing to submit to service, he sent a letter to Mr. Recouvreur’s employer, DN 19-1, Exhibit  
22 H, which might have caused trouble at work for Mr. Recouvreur, by threatening to hold the employer liable  
23 for the conduct of its employee, and in any event to impose invasive document preservation requirements.  
24 And after Mr. Carreon was finally served, he tried to threaten his way out of being held responsible for his  
25 baseless threats by making an additional threat to sue the employer of plaintiff’s lead counsel, unless counsel  
26 induced his client to settle on the terms that Mr. Carreon demanded. DN 35-1, ¶ 3. Mr. Carreon’s decision  
27 to offer judgment giving plaintiff his complete success on the merits is perhaps an item in Mr. Carreon’s  
28 favor in judging his litigation conduct, but in its entirety Mr. Carreon’s litigation conduct was sufficient

1 oppressive to form yet another factor in support of a finding that his case was exceptional.

2 Defendant has indicated that he will argue that plaintiff cannot seek an award of attorney fees for  
 3 litigating the merits because the Declaratory Judgment Act does not provide for attorney fee awards. DN  
 4 39, at 5. This argument, however, is beside the point, because plaintiff's claim for attorney fees is under the  
 5 Lanham Act. Although most cases in which fees are awarded in favor of plaintiffs who sought a declaratory  
 6 judgment under the Lanham Act involved defendants who brought counterclaims seeking injunctive relief  
 7 or damages for the alleged infringement, courts in the Ninth Circuit and elsewhere have recognized that fees  
 8 can be appropriate under the Lanham Act, as well as under other intellectual property statutes, where **only**  
 9 declaratory relief was sought. *Caesar's World v. Milanian*, 126 Fed. App'x. 775 (9th Cir. 2005) (fees  
 10 awarded to declaratory judgment plaintiff under the Lanham Act); *Classic Media v. Mewborn*, 532 F.3d 978  
 11 (9th Cir. 2008) (fees denied under both Lanham Act and Copyright Code, but only because declaratory  
 12 action defendant's infringement claims were not groundless); *CACI Intern., Inc. v. Pentagon Technologies*  
 13 *Int'l*, 70 F.3d 111 (4th Cir. 1995) (mem.) (affirming attorney fee award for plaintiff in declaratory judgment  
 14 action for copyright and Lanham Act noninfringement). *See also Brooks Furniture Mfg. v. Dutailier Int'l*,  
 15 393 F.3d 1378 (Fed. Cir. 2005) (assertion of patent claim that spurred declaratory judgment action could  
 16 support attorney fee, although fee award was overturned because patent claim was not sufficiently  
 17 unsupported); *Special Devices v. OEA, Inc.*, 269 F.3d 1340 (Fed Cir. 2001) (fees were awarded to  
 18 declaratory judgment plaintiff who succeeded in obtained declaratory judgment of non-infringement and  
 19 patent invalidity; appeal from that order dismissed as premature).<sup>2</sup> Consequently, the fact this was a  
 20 declaratory action seeking a judgment of noninfringement does not preclude an award of attorney fees under  
 21 the Lanham Act where the trademark claims declared invalid were exceptional.

### 22 **C. PLAINTIFF SHOULD BE AWARDED \$40,115 IN ATTORNEY FEES**

23 The Ninth Circuit, like most circuits, determines attorney fee awards according to the lodestar  
 24 method, whereby the Court multiplies the number of hours reasonably spent on the litigation by the  
 25 reasonable attorney fees, determined by reference to the marker for attorney services in the community where  
 26

---

27 <sup>2</sup> Given the similarity of fee-shifting provisions in each of the copyright, patent and trademark  
 28 fields, decisions under one statute may be invoked in construing the provisions in other intellectual  
 property statutes. *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 525 n.12 (1994).

the district court sits. *Camacho v. Bridgeport Fin.*, 523 F.3d 973, 979 (9th Cir. 2008). For lawyers in private practice, like Ms. Gellis, the presumptively proper hourly rate is the normal billing rate; for lawyers in public service or public interest practice, like Mr. Levy, the rate is determined by reference to market rates for lawyers of similar qualifications. *Blum v. Stenson*, 465 U.S. 886, 895-896 (1984); *Prison Legal News v. Schwarzenegger*, 608 F.3d 446, 455 (9th Cir. 2010).

Ms. Gellis is a lawyer in private practice whose ordinary billing rate is \$300 per hour. Mr. Levy is a public interest lawyer who only represents clients pro bono. The affidavit of Mark Goldowitz, DN 32-3, a lawyer who is familiar both with Mr. Levy's work and with market rates in the Northern District of California, specifically confirms the propriety of Mr. Levy's requested \$700 per hour rate. Similarly, the affidavit of Richard Pearl, Levy Second Affidavit, Exhibit X, which was accepted in *Rosenfeld v. U.S. Dep't of Justice*, — F. Supp.2d —, 2012 WL 4933317 (N.D. Cal. 2012), and the award of fees in *Rosenfeld* at the hourly rate of \$700 to James Wheaton, a lawyer who is somewhat less experienced than Mr. Levy, Levy Second Affidavit ¶ 16, supports Mr. Levy's claimed hourly rate of \$700. Similarly, Judge Wilken's unreported opinion in *Prison Legal News v. Schwarzenegger*, No. 4:07-cv-02058-CW, at 7 (N.D. Cal. Dec. 5, 2008) (attached to the Levy Fifth Affidavit as Exhibit CC), awarded fees for the senior attorney in that case at the rate of \$740 per hour. Because Judge Wilken's ruling was affirmed by Court of Appeals for the Ninth Circuit, 608 F.3d 446, 454 (9th Cir. 2010), and because defendant previously cited Judge Wilken's decision as persuasive authority on the issue of the proper hourly rate, this authority further supports Mr. Levy's claimed \$700 hourly rate. Moreover, the Adjusted Laffey Matrix, which is often used in federal court in the District of Columbia to avoid lengthy battles over hourly rates, *Smith v. District of Columbia*, 466 F. Supp.2d 151, 156 (D.D.C. 2006); *Salazar v. District of Columbia*, 123 F. Supp.2d 8, 15 (D.D.C. 2000), and which other federal courts have accepted as reasonable, *Bond v. Ferguson Enters.*, 2011 WL 2648879, at \*12 (E.D. Cal. June 30, 2011), shows that Mr. Levy's proper hourly rate would be \$753. The application for an award of attorney fees for Mr. Levy's work at the rate of \$700 per hour is therefore reasonable.

The number of hours claimed is supported by the affidavits of Mr. Levy and Ms. Gellis. Because plaintiff was entirely successful, plaintiff is entitled to a fully compensatory fee award, including time spent on individual motions that were unsuccessful. *O'Neal v. Seattle*, 66 F.3d 1064, 1068-1069 (9th Cir. 1995). As shown by Mr. Levy's affidavit, ¶¶ 21-23, however, counsel have exercised billing judgment by not



seeking fees for several hours spent on certain individual aspects of the case, by not asking for compensation for time spent by co-counsel Julie Murray, and by asking for only half the hours spent on one motion in particular, the motion to have service declared effective. In addition, no fees are sought for the efforts of several other colleagues of Mr. Levy at Public Citizen who also worked on the case, or for a significant amount of time devoted to the case by an outside lawyer in private practice who devoted significant time to reviewing drafts and discussing litigation strategy.

The total time sought for the work of Mr. Levy and Ms. Gellis is as follows<sup>3</sup>:

Lawyer	Hours	Hourly Rate	Total Fee
Levy	49.1	\$700	\$34370
Gellis	19.15	\$300	5745
Total			\$40115

### CONCLUSION

The motion for an award of attorney fees, in the amount of \$40,115, should be granted.

Respectfully submitted,

/s/ Paul Alan Levy  
 Paul Alan Levy (pro hac vice)  
 Julie Murray

Public Citizen Litigation Group  
 1600 20th Street NW  
 Washington, D.C. 20009  
 (202) 588-1000

/s/ Catherine R. Gellis  
 Catherine R. Gellis, California Bar #251927

P.O. Box 2477  
 Sausalito, California 94966  
 (202) 642-2849  
 cathy@cgccounsel.com

December 31, 2012

Attorneys for Plaintiff

---

<sup>3</sup>The time sought includes work done on the fee application. *Brown v. Sullivan*, 916 F.2d 492, 497 (9th Cir. 1990) (“[W]hen fees are available to the prevailing party, that party may also be awarded fees on fees . . .”). It also includes time for which fees have also been sought under Rule 4(d)(2)(B); if that motion is granted in full, then as reflected in the calculation in the Levy Affidavit, ¶ 24, the fees awarded under the Lanham Act should be reduced by \$7490 to avoid duplication.

**CERTIFICATE OF SERVICE**

I hereby certify that I am causing a copy of this Motion and Memorandum, as well as the accompanying affidavits and exhibits and proposed order, to be filed by the court's ECF system, which will serve them on defendant Charles E. Carreon.

/s/ Paul Alan Levy  
Paul Alan Levy